

Rev. Rul. 66-102, 1966-1 C.B. 133

Section 501(c)(2) of the Internal Revenue Code of 1954 provides for the exemption of corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from tax under section 501(a) of the Code.

Held, the term 'expenses' as used in section 501(c)(2) of the Code includes a reasonable allowance for depreciation determined in accordance with section 167 of the Code.